

Department of Transportation
Motor Vehicle

A.R.S. § 28-101

	FY 2004 Actual	FY 2005 Estimate	FY 2006 Approved
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	1,649.0	1,665.0	1,688.0 ^{1/}
Personal Services	44,544,600	49,026,300	50,311,900
Employee Related Expenditures	16,780,900	19,207,300	22,871,000
Professional and Outside Services	2,065,400	2,065,600	2,065,600
Travel - In State	238,400	382,000	382,600
Travel - Out of State	13,700	16,600	16,600
Other Operating Expenditures	16,690,400	17,842,700	16,906,900
Equipment	2,364,300	1,835,900	2,146,300
OPERATING SUBTOTAL	82,697,700	90,376,400	94,700,900
SPECIAL LINE ITEMS			
Abandoned Vehicle Administration	700,600	748,400	783,800
Attorney General Legal Services	137,700	140,200	0
Registration; Motor Vehicles; Nonresidents	0	36,000	0
Ch. 312 Certified Ignition Interlock Devices	0	0	442,000
Ch. 313 Immobilization of Vehicles; DUI	0	0	250,000
PROGRAM TOTAL	83,536,000	91,301,000	96,176,700 ^{2/3/4/5/6}
FUND SOURCES			
<u>Other Appropriated Funds</u>			
Air Quality Fund	55,700	58,600	61,500
Driving Under the Influence Abatement Fund	0	0	442,000
Highway User Revenue Fund	383,300	419,300	633,300
Motor Vehicle Liability Insurance Enforcement Fund	1,052,100	1,175,500	1,952,700
Safety Enforcement and Transportation Infrastructure Fund	907,000	2,174,500	1,584,800
State Highway Fund	80,224,900	86,323,200	90,033,800
Vehicle Inspection and Title Enforcement Fund	913,000	1,149,900	1,468,600
SUBTOTAL - Other Appropriated Funds	83,536,000	91,301,000	96,176,700
SUBTOTAL - Appropriated Funds	83,536,000	91,301,000	96,176,700
TOTAL - ALL SOURCES	83,536,000	91,301,000	96,176,700

COST CENTER DESCRIPTION — Motor Vehicle regulates vehicular operations within the state through the issuance and control of various permits, registrations and licenses.

- ^{1/} Includes 28 FTE Positions funded from Special Line Items in FY 2006.
- ^{2/} General Appropriation Act funds are appropriated as a Lump Sum by Program.
- ^{3/} It is the intent of the Legislature that all monies appropriated for the Motor Vehicle Division field offices and electronic services are combined resources designed to improve customer services and that the department should pursue increased efforts to further the utilization of electronic services (e-business transactions) to enhance customer services and create efficiencies, enhanced customer service and security issues. (General Appropriation Act footnote)
- ^{4/} The appropriation for the Motor Vehicle Division includes an increase of \$140,000 and 3 FTE Positions for increased workload in third party quality assurance. The department shall submit quarterly progress reports to the Joint Legislative Budget Committee for review of their progress in increasing third party transactions, the status of third party quality assurance staffing, workload, backlog and the moratorium on accepting new third parties. The reports are due within 30 days after the end of each calendar quarter. (General Appropriation Act footnote)
- ^{5/} The Game and Fish Department and the Department of Transportation shall conduct a joint study to examine the transfer of responsibility for processing watercraft registration from the Game and Fish Department to the Department of Transportation. This study shall be submitted to the Joint Legislative Budget Committee by December 30, 2005 and is to include an implementation plan with a proposed date for the transfer of watercraft registration and examine the overall impact to citizens, potential cost savings, and the number of full-time equivalent positions to be transferred from the Game and Fish Department to the Department of Transportation. (General Appropriation Act footnote)
- ^{6/} The appropriation for the Motor Vehicle Division includes 8 FTE Positions and \$721,700 from the State Highway Fund for fraudulent document staff. If H.B. 2393 or similar legislation to address fraudulent documents is enacted into law during the 47th Legislature, 1st Regular Session, the sum of \$721,700 and 8 FTE Positions shall revert to the State Highway Fund. (General Appropriation Act footnote). This legislation was not enacted.

PERFORMANCE MEASURES	FY 2003	FY 2004	FY 2006
	Actual	Actual	Approved
• Average office wait time (minutes)	14.2	15.1	15.0
• % of office customers rating service “good” or “excellent”	79.5	82	83
• Average telephone wait time to speak to an MVD employee (minutes)	NA	21.7	18.5
• % of alternative vehicle registration renewal methods (mail, internet, third party)	69	71.8	74

Comments: The agency did not submit information for any measure labeled as “NA.” The average telephone wait time to speak to an MVD employee are calls referred for second level assistance after first being received by MVD call centers.

Operating Budget

The budget provides \$94,700,900 for the operating budget in FY 2006. This amount consists of:

	<u>FY 2006</u>
Air Quality Fund	\$61,500
Highway User Revenue Fund	383,300
Motor Vehicle Liability Insurance Enforcement Fund	1,952,700
Safety Enforcement and Transportation Infrastructure Fund	1,584,800
State Highway Fund	89,250,000
Vehicle Inspection and Title Enforcement Fund	1,468,600

The approved amount includes an increase of \$3,451,200 in FY 2006 for statewide adjustments. This amount consists of:

Air Quality Fund	2,900
Motor Vehicle Liability Insurance Enforcement Fund	61,700
Safety Enforcement and Transportation Infrastructure Fund	40,300
State Highway Fund	3,301,300
Vehicle Inspection and Title Enforcement Fund	45,000

(Please see the Statewide Adjustments section at the end of this Appropriations Report for details.)

Fraudulent Documents

The approved amount includes an increase of \$721,700 and 8 FTE Positions from the State Highway Fund in FY 2006 for investigation, follow-up and prosecution activities of fraudulent driver license documents. The approved amount includes \$275,700 in one-time equipment and computer programming.

A General Appropriation Act footnote reverts the \$721,700 and 8 FTE Positions to the State Highway Fund, if H.B. 2393 or similar legislation to address fraudulent documents is enacted into law during the 47th Legislature, 1st Regular Session. The Governor vetoed S.B. 1523

which would have addressed fraudulent driver license documents.

Vehicle Inspection

The approved amount includes an increase of \$273,700 and 4 FTE Positions from the Vehicle Inspection and Title Enforcement Fund in FY 2006 for increased workload of the more detailed level 2 and level 3 inspections of vehicle identification numbers, which are done before issuing restored salvage titles on repaired salvage and similar vehicles. The department reports statewide inspections increased from 32,450 in FY 2001 to 37,023 in FY 2004. The approved amount includes \$120,000 in one-time training and equipment.

Third Party Quality Assurance

The approved amount includes an increase of \$140,500 and 3 FTE Positions from the Motor Vehicle Liability Insurance Enforcement Fund in FY 2006 for increased workload in third party quality assurance. Third parties handle transactions such as title, registration, and vehicle inspection. The third party quality assurance section reviews about 25% of third party transactions for accuracy. The department reports that they have had a moratorium on new third parties for title and registration services for 2 years due to a lack of staff, during which time they placed 63 applications on hold. A moratorium on new third parties for vehicle inspections was implemented at a later date. The approved amount includes \$27,100 in one-time equipment.

A General Appropriation Act footnote requires that ADOT submit quarterly progress reports for JLBC review of their progress in increasing third party transactions, the status of third party quality assurance staffing, workload, backlog and the moratorium on accepting new third parties. The reports are due within 30 days after the end of each calendar quarter.

In addition, Laws 2005, Chapter 313 provides \$250,000 and 5 FTE Positions from the Highway User Revenue Fund in FY 2006 to allow more driver license examination third parties. *(Please see Special Line Items for more details.)*

Motor Pool Rental Rate Technical Adjustment

The approved amount includes an increase of \$24,300 from the State Highway Fund in FY 2006 for the Motor Vehicle program for increased rental rates of new vehicles and heavy equipment by the ADOT Motor Pool. *(Please see Highways for more details.)*

Funding Shift

The approved amount includes a decrease of \$(600,000) and (9) FTE Positions from the Safety Enforcement and Transportation Infrastructure Fund and a corresponding increase of \$600,000 and 9 FTE Positions from the Motor Vehicle Liability Insurance Enforcement Fund in FY 2006. The funding shift made room for a \$600,000 capital outlay appropriation from the Safety Enforcement and Transportation Infrastructure Fund to ADOT in FY 2006 to enter into agreements and provide funding to the Arizona-Mexico Commission, the Office of Homeland Security and the Arizona International Development Authority to improve traffic safety. *(Please see the Capital Outlay section for details.)*

One-Time Costs

The approved amount includes a decrease of \$(55,000) in FY 2006 for one-time computer programming and equipment. This amount consists of \$(30,000) from the Safety Enforcement and Transportation Infrastructure Fund and \$(25,000) from the Motor Vehicle Liability Insurance Enforcement Fund.

Commercial Motor Carriers; License; Regulation

The approved amount includes a decrease of \$(20,500) from the State Highway Fund in FY 2006 for one-time computer programming associated with the Commercial Motor Carrier program.

Laws 2004, Chapter 324 included \$168,500 from the State Highway Fund in FY 2005 for implementation costs and for notifying owners and lienholders when abandoned vehicles have been towed. This amount is exempt from lapsing. This amount includes \$20,500 for one-time computer programming costs. With the elimination of one-time costs, the operating budget includes \$148,000 on an ongoing basis for this activity.

License Plate to Owner; Refund

The approved amount includes a decrease of \$(211,400) from the State Highway Fund in FY 2006 for one-time computer programming and equipment associated with the License Plate to Owner Refund program.

Laws 2004, Chapter 333 provided \$322,000 and 3 FTE Positions from the State Highway Fund in FY 2005 for processing license plate credits and refunds. This amount includes \$211,400 for one-time costs, including \$185,000 for computer programming and \$26,400 for equipment. With the elimination of one-time costs, the operating budget includes \$110,600 and 3 FTE Positions on an ongoing basis for this activity.

Special Line Items

Abandoned Vehicle Administration

The budget provides \$783,800 and 20 FTE Positions from the State Highway Fund for Abandoned Vehicle Administration in FY 2006.

The approved amount includes an increase of \$35,400 from the State Highway Fund in FY 2006 for statewide adjustments.

Monies in this line item provide for administrative functions concerning abandoned vehicles including maintaining records, mailing notices, and paying towing fees for vehicles on public land.

Attorney General Legal Services

The budget provides no funding from the State Highway Fund for Attorney General legal services in FY 2006. This amount would fund the following adjustments:

Transfer Attorney General Legal Services

The approved amount includes a transfer-out of \$(140,200) from the State Highway Fund in FY 2006 to the Administration Program to combine the 2 Attorney General Legal Services special lines and streamline ADOT's accounting process. The transferred monies would continue to allow the Attorney General to provide legal services to the program.

Registration; Motor Vehicles; Nonresidents

The budget provides no funding from the Highway User Revenue Fund for the registration of certain vehicles by nonresidents in FY 2006. This amount would fund the following adjustments:

One-Time Costs

The approved amount includes a decrease of \$(36,000) from the Highway User Revenue Fund in FY 2006 for one-time computer programming.

Laws 2004, Chapter 296 included \$36,000 from the Highway User Revenue Fund in FY 2005 for one-time computer programming implementation costs for issuing special 30-day nonresident registration permits to nonresidents who intend to register the vehicle out-of-state.

Ch. 312 Certified Ignition Interlock Devices

Laws 2005, Chapter 312 provides \$442,000 and 3 FTE Positions from the Driving Under the Influence Abatement Fund in FY 2006 to implement a special ignition interlock restricted driver license for qualified individuals during a period of suspension or revocation for alcohol related offenses. This amount includes \$314,700 for one-time costs, including \$310,500 for computer programming and \$4,200 for equipment.

Ch. 313 Immobilization of Vehicles; DUI

Laws 2005, Chapter 313 provides \$250,000 and 5 FTE Positions from the Highway User Revenue Fund in FY 2006 to allow commercial driver schools and up to 15 motorcycle dealers to become authorized third parties to administer their respective driver license examination. This amount includes \$45,300 for one-time equipment.